

Annual Financial Report

Flint Public Library

For the Year Ended June 30, 2008

with Independent Auditors' Report

Flint Public Library
For the Fiscal Year Ended June 30, 2008

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Financial Section

Independent Auditors' Report

To the Board of Directors
Flint Public Library

We have audited the accompanying financial statements of the governmental activities, the major fund, and the discretely presented component unit of Flint Public Library (a District Library) as of and for the year ended June 30, 2008, which comprise the Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Flint Public Library's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of Flint Public Library at June 30, 2008 and the changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison schedules in the required supplemental information are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Plante & Moran, PLLC

September 9, 2008

Management's Discussion and Analysis

Flint Public Library Management's Discussion and Analysis

This section of Flint Public Library's annual financial report presents our discussion and analysis of the Library's financial performance during the fiscal year that ended on June 30, 2008. Please read it in conjunction with the Library's financial statements, which follow this section.

Financial Highlights

The Highlights of the Financial Statements as Presented are as Follows:

- The Library's primary source of revenue is from property taxes. For 2008, total tax collections were \$4,937,581. This represents approximately 89.1% of total revenue.
- Salaries, employee benefits, and taxes are the largest overall expenditure of the Library. For 2008, the expenditure was \$3,484,703 after full accrual basis adjustments, representing approximately 67.1% of the Library's total expenditures. This figure does include sick, vacation and terminal leave payments to long-time employees who retired from their library service during the fiscal year.
- Library materials (e.g., books, CDs, DVDs, electronic databases, etc.) of \$313,355 are the second largest overall expenditure of the Library. The actual expenditure before full accrual basis adjustments was \$452,101, representing approximately 8.80% of the Library's total expenditures.
- Total expenditures for the entire year were \$5,189,242.
- The Library's net assets increased by \$353,660 during the year ended June 30, 2008. Depreciation expense was \$264,709.

Government-wide Statements

The government-wide statements report information about the Library as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Library's net assets and how they have changed. Net assets - the difference between the Library's assets and liabilities - is one way to measure the Library's financial health or position.

- Over time, increases or decreases in the Library's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Library, you need to consider additional nonfinancial factors such as changes in the Library's property tax base.

Overview of the Financial Statements

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and required supplementary information.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that presents a schedule of the operating budget as originally adopted, the amended budget, and compares the amended budget with actual results. This information will be utilized by the Library's administration to help forecast future budgetary revenues and expenditures.

Financial Analysis of the Library as a Whole

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Library, assets exceeded liabilities by approximately \$5.1 million at the close of the most recent fiscal year (see below table).

Summary Condensed Financial Information

	Governmental Activities	
	2008	2007
Current assets	\$2,301,106	\$1,881,354
Noncurrent assets - Capital assets	3,306,985	3,432,948
Total assets	5,608,091	5,314,302
Liabilities		
Current liabilities	264,544	272,333
Noncurrent liabilities	212,976	265,058
Total liabilities	477,520	537,391
Net assets:		
Invested in capital assets - Net of debt	3,272,746	3,354,703
Restricted - Expendable endowment	302,522	248,613
Restricted - Nonexpendable endowment	20,000	20,000
Restricted - Donor restricted contributions	10,544	13,172
Unrestricted	1,524,759	1,140,423
Total net assets	\$5,130,571	\$4,776,911
Revenue:		
Property taxes	\$4,937,581	\$4,782,757
Other	605,321	582,821
Total revenue	5,542,902	5,365,578
Expenses	5,189,242	5,288,318
Changes in Net Assets	353,660	77,260
Net Assets - Beginning of year	4,776,911	4,699,651
Net Assets - End of year	\$5,130,571	\$4,776,911

It can be seen that total net assets for the Library increased \$353,660 during the year ended June 30, 2008.

Total revenues increased by \$177,324, while expenses decreased \$99,076 or 1.9%.

The increase in revenues is largely attributable to the receipt of delinquent property taxes during the fiscal year which were not expected nor originally budgeted to be received and increased interest earnings from investments. Expenses decreased due to decreases in property and liability insurance expense and the retirement of long-term employees.

Capital Assets

At the end of 2008, the Library has capital assets of \$3,272,746 net of related debt and accumulated depreciation. The largest portion represents donated building and land of the Main Branch of \$2,650,000 at fair market value at the date of donation. This net amount complies with methods established by the Governmental Accounting Standards Board (GASB) GASB Statement 34.

Long-term Debt

At year-end, the Library had \$241,976 owed to employees for compensated absences.

Budgets

The significant changes to the total overall budget between the original and final amended budget were due to the following items:

Revenues

- An increase in delinquent property taxes due to the receipt during the fiscal year of such taxes.
- An increase in interest income due to investing in higher yield certificates of deposits when they were available earlier in the year and to changing the management of cash flow so that the favorable terms with all vendors were utilized, thus keeping the money invested in higher rate certificates of deposits for longer periods.

Expenditures

- A decrease in salaries and wages and the corresponding employee benefits and taxes due to the retirement of long-time personnel. The positions were filled by internal applicants when possible and the positions they filled were left vacant.
- A decrease in the property and liability insurance expense due to the bidding out of this service at the beginning of the fiscal year.
- The elimination of the contingency line item as none was utilized during the fiscal year.

The Library also adopted the state chart of accounts for governmental entities during the fiscal year. As part of this change, the Library Board of Trustees adopted Resolution 08-169 which allows the Director to prepare and present operating budgets in an activity basis instead of a departmental basis to coincide with the new chart of accounts. The Board of Trustees had voted in August 2007 to switch from a line item operating budget to a departmental budget to provide more flexibility to the Director during the fiscal year.

Economic Factors and Next Year's Budget

The challenges of declining property values due to the economy and foreclosures leading to reduced revenues as well as the increasing costs of oil, gas, utilities and the effect of these increases on all goods and services will affect Flint Public Library in the upcoming fiscal year. The Library adopted a strategic plan that provides a vision of the Library to be vital, valued and vibrant while invoking our mission to provide access to all: to collections, community, experiences, experts, ideas and information. Public libraries thrive in difficult times because of the programming and information provided to a community in need with limited resources. The Library has worked to reduce its fixed costs to help it get through the difficult time of declining revenues while maintaining its fund balance designations to ensure that it will continue to be fiscally responsible in meeting all of its obligations.

The Flint Public Library's adopted operating budget for the fiscal year ending June 30, 2009 is as follows:

Revenue	\$5,252,938
Expenditures	<u>5,249,840</u>
Net over Budget	<u>\$ 3,098</u>

The adopted budget reflects the commitment of the Library to the community in which it serves, the citizens of the city of Flint.

Requests for Information

This financial report is designed to provide our citizens and taxpayers with a general overview of the Library's finances and to demonstrate the Library's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Administrator at The Flint Public Library, 1026 E. Kearsley, Flint, Michigan 48502.

Basic Financial Statements

Flint Public Library
Governmental Fund Balance Sheet/Statement of Net Assets
June 30, 2008

	Primary Government		Component
	General Fund -	Adjustments	Unit
	Modified	(Note III)	Friends of the
	Accrual Basis		FPL
Assets			
Cash and cash equivalents	\$ 1,585,195	\$ -	\$ 1,585,195
Restricted cash and cash equivalents	322,522	-	322,522
Investments held by others	-	-	-
Receivables:			
Intergovernmental	346,993	-	346,993
Accrued interest	3,114	-	3,114
Other	-	-	-
Prepaid expenses	43,282	-	43,282
Capital assets - Net	-	3,306,985	3,306,985
Total assets	<u><u>\$ 2,301,106</u></u>	<u>3,306,985</u>	<u>5,608,091</u>
			<u>50,742</u>
Liabilities			
Accounts payable and accrued liabilities	\$ 184,765	\$ -	\$ 184,765
Deferred revenue	16,540	-	16,540
Noncurrent liabilities			
Due within one year:			
Installment purchase obligation	-	34,239	34,239
Compensated absences	-	29,000	29,000
Due in more than one year -			
Compensated absences	-	212,976	212,976
Total liabilities	<u>201,305</u>	<u>276,215</u>	<u>477,520</u>
			<u>-</u>
Fund Balances			
Reserved for prepaid expenses	43,282	(43,282)	
Reserved - Expendable endowment	302,522	(302,522)	
Reserved - Nonexpendable endowment	20,000	(20,000)	
Reserved - Donor restricted contributions	10,544	(10,544)	
Unreserved - Designated	825,000	(825,000)	
Unreserved - Undesignated	898,453	(898,453)	
Total fund balance	<u>2,099,801</u>	<u>(2,099,801)</u>	
Total liabilities and fund balance	<u><u>\$ 2,301,106</u></u>		
Net Assets			
Investment in capital assets - Net of debt		3,272,746	3,272,746
Restricted - Expendable endowment		302,522	302,522
Restricted - Non-Expendable Endowment		20,000	20,000
Restricted - Donor restricted contributions		10,544	10,544
Unrestricted		1,524,759	1,524,759
Total net assets		<u><u>\$ 5,130,571</u></u>	<u><u>\$ 5,130,571</u></u>
			<u><u>\$ 50,742</u></u>

See Notes to Financial Statements.

Flint Public Library
Statement of Governmental Revenue, Expenditures
and Changes in Fund Balance - Statement of Activities
Year Ended June 30, 2008

	Primary Government			Component Unit
	General Fund -		Statement of	
	Modified	Adjustments	Net Assets - Full	Friends of
	Accrual Basis	(Note III)	Accrual Basis	the FPL
Revenue				
Property taxes	\$ 4,937,581	\$ -	\$ 4,937,581	\$ -
Grants and memorials	136,228	-	136,228	-
Penal fines	142,480	-	142,480	-
State aid	81,570	-	81,570	-
Investment income	94,203	-	94,203	5,500
Donation income	12,479	-	12,479	-
Charges for services	78,032	-	78,032	-
Miscellaneous revenue	60,329	-	60,329	27,129
Total revenue	5,542,902	-	5,542,902	32,629
Expenditures				
Current				
Salaries and wages	2,604,090	(9,829)	2,594,261	-
Employee benefits and taxes	890,442	-	890,442	-
Materials	452,101	(138,746)	313,355	-
Supplies	110,068	-	110,068	-
Maintenance and utilities	320,387	-	320,387	-
Professional services	109,227	-	109,227	-
Rent	50,078	-	50,078	-
Communications	35,094	-	35,094	-
Dues and memberships	3,224	-	3,224	-
Printing and publishing	87,722	-	87,722	-
Library cards and other fees	49,652	-	49,652	65
Insurance	44,387	-	44,387	-
Grant and memorial expenditures	160,917	-	160,917	30,552
Depreciation	-	264,709	264,709	-
Transportation/Staff development	17,888	-	17,888	-
Interest	2,460	-	2,460	-
Debt Services - Principal	44,006	(44,006)	-	-
Capital Outlay	135,371	-	135,371	-
Total expenses	5,117,114	72,128	5,189,242	30,617
Revenues Over Expenditures	425,788	(72,128)	353,660	2,012
Change in Net Assets	425,788	(72,128)	353,660	2,012
Fund Balance/Net Assets - Beginning of year -				
As restated (Note IV)	1,674,013	-	4,776,911	48,730
Fund Balance/Net Assets - End of year	\$ 2,099,801	\$ - 0 -	\$ 5,130,571	\$ 50,742

See Notes to Financial Statements.

Notes to Basic Financial Statements

Flint Public Library
Notes to Basic Financial Statements
June 30, 2008

I. Summary of Significant Accounting Policies

The accounting policies of Flint Public Library (the “Library”) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Flint Public Library.

A. Reporting Entity

Pursuant to Proposal A, effective July 1, 1996, school districts in Michigan are not allowed to levy a millage for public libraries. The Library was, therefore, spun off from the Flint Public Schools (the “Schools”) to operate as an independent body with its own board of trustees and its own tax levy. The Library has received voter approval to levy 2.9 mills. The Library became a separate entity as of July 1, 2000. Transfer of certain assets and liabilities was completed on June 16, 2004 between the Library and the Flint Public Schools. The Library is governed by a Board of Trustees (the “Library Board”), which consists of seven members. The mayor appoints four members and the Flint Board of Education appoints three members.

The Library’s district borders encompass the City of Flint (“the City”).

The accompanying financial statements present the Library and its component unit, an entity for which the Library is considered to be financially accountable. The component unit discussed below is included in the Library’s reporting entity because of the significance of their operational or financial relationship with the Library. The component unit is discretely presented via a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the Library.

Discretely Presented Component Unit – Friends of the Flint Public Library (FFPL) (a not-for-profit organization) - A separate legal entity formed solely to support the Flint Public Library. An endowment fund has been established at the Community Foundation of Greater Flint (CFGF) for which distributions of investment income will be annually distributed to the Library. Variance powers over the Fund were transferred to the CFGF. Requests for financial statements of the FFPL can be made to the Officers of the FFPL.

B. Measurement focus, basis of accounting, and financial statement presentation

The Library has one fund, the General Fund, which is the Library’s primary operating fund.

The Library is budgeted and accounted for using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Library considers revenue to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. The prepaid expenses reported on the balance sheet represent payments made in advance for 2009 expenditures.

In addition to presenting information for the General Fund on a financial resources and modified accrual basis, the financial statements also present information for the Library using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Flint Public Library
Notes to Basic Financial Statements
June 30, 2008

I. Summary of Significant Accounting Policies - (Continued)

B. Measurement focus, basis of accounting, and financial statement presentation - (Continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both modified accrual and full accrual columns, to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The Library has elected not to follow private-sector standards issued after November 30, 1989 for its full accrual presentation.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Library's policy is to first apply restricted resources.

C. Financial Statement Amounts

1. Cash and investments

Cash and investments include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

2. Receivables

All trade and property taxes receivable are shown net of an allowance for uncollectible amounts. The amount of reserve for uncollectible personal property taxes was approximately \$59,700 at June 30, 2008.

3. Property taxes

Property taxes are levied on December 1 based on the taxable valuation of the property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The taxable valuation of the Library totaled approximately \$1.69 billion, on which ad valorem taxes levied consisted of 2.9 mills for the Library's operating purposes. The ad valorem taxes levied raised approximately \$4.9 million for operations and is recognized in the General Fund financial statements as property tax revenue.

The Library is levying 2.0 mills that will be levied in perpetuity and 0.9 mills for which authorization will expire December 2011.

The Library levies its property taxes on December 1 and the City of Flint collects its property taxes and remits them to the Library through February. The County purchases the delinquent real property taxes of the Library, and delinquent personal property taxes continue to be collected by the City and recorded as revenue as they are collected. The County sells tax notes, the proceeds of which have been used to pay the Library for these delinquent real property taxes. These delinquent real property taxes have been recorded as revenue in the current year.

4. Prepaid expenses

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid expenses on the balance sheet.

Flint Public Library
Notes to Basic Financial Statements
June 30, 2008

I. Summary of Significant Accounting Policies - (Continued)

C. Financial Statement Amounts - (Continued)

5. Capital assets

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and a useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the Library are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Works of art	N/A
Computers and accessories	5
Books	10
Vehicles	6
Equipment and furniture	7-20
Building and improvements	20

6. Compensated Absences

The Library reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Sick and vacation leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick and vacation leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the Library's past experience of making termination payments.

The entire compensated absences liability is reported on the government-wide financial statements.

A liability for these amounts is reported in governmental funds only for eligible employee terminations as of year end.

7. Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

Flint Public Library
Notes to Basic Financial Statements
June 30, 2008

I. Summary of Significant Accounting Policies - (Continued)

C. Financial Statement Amounts - (Continued)

8. Grants and Memorials

Grant revenues are recorded as they are earned, according to the provisions of the grant. Normally, grant revenues are earned and received as the grant period progresses. The provisions of the grant determine the timing of revenue recognition. Grant expenses are recognized when incurred for a grant related obligation. Some immaterial variances may occur between grant revenue and expense due to timing differences. Any grant funds received prior to incurring grant qualifying expenditures are recorded as deferred revenue.

9. Deferred Revenue

Income is recognized as revenue as it is earned. Prepayments are recorded as deferred until the revenue is earned over the year.

10. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. See Note II-H for additional information about designated fund balance.

11. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

II. Detailed Notes on all Funds

A. Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations; bonds, securities, and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or federal agency obligation repurchase agreements; bankers' acceptances of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

Flint Public Library
Notes to Basic Financial Statements
June 30, 2008

II. Detailed Notes on all Funds - (Continued)

A. Deposits and Investments - (Continued)

The Federal Deposit Insurance Corporation (FDIC) provides protection of the Library's deposits. The Board authorized Citizens Bank and Chase Bank for the deposit of the Library's funds. The investment policy adopted by the Board in accordance with Public Act 196 of 1997 had authorized investment in all of the above-mentioned investment vehicles. The Library's deposit and investment policies are in accordance with statutory authority.

Custodial credit risk of bank deposits:

Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library does not have a deposit policy for custodial credit risk. At year end, the Library had \$1,546,509 of bank deposits (certificates of deposit, checking and savings accounts) that were uninsured and uncollateralized. The Library believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Library evaluates the financial institution with which it deposits funds and assesses their level of risk; only those institutions with an acceptable estimated risk level are used as depositories.

Deposits and Investments of Component Unit:

Deposits:

The FFPL had \$50,742 in deposits that were fully insured at June 30, 2008.

B. Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the deferred revenue consisted of:

Grant payments received prior to meeting all eligibility requirements were \$16,540.

C. Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not depreciated:				
Land	\$ 530,000	\$ -	\$ -	\$ 530,000
Works of art	200,000	-	-	200,000
Total capital assets not depreciated	730,000	-	-	730,000
Capital assets, being depreciated:				
Building and improvements	2,326,682	-	-	2,326,682
Books	1,561,951	138,746	(122,104)	1,578,593
Computers, vehicles, and furniture	709,049	-	-	709,049
Total capital assets being depreciated	4,597,682	138,746	(122,104)	4,614,324

Flint Public Library
Notes to Basic Financial Statements
June 30, 2008

II. Detailed Notes on all Funds - (Continued)

C. Capital Assets - (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities (Continued):				
Less accumulated depreciation for:				
Building and improvements	\$ (336,022)	\$ (116,334)	-	\$ (452,356)
Books	(921,196)	(96,379)	79,083	(938,492)
Computers, vehicles, and furniture	(637,516)	(8,975)	-	(646,491)
Total accumulated depreciation	<u>(1,894,734)</u>	<u>(221,688)</u>	<u>79,083</u>	<u>(2,037,339)</u>
Total capital assets, being depreciated, net	<u>2,702,948</u>	<u>(82,942)</u>	<u>(43,021)</u>	<u>2,576,985</u>
Governmental activities capital assets	<u>\$ 3,432,948</u>	<u>\$ (82,942)</u>	<u>\$(43,021)</u>	<u>\$ 3,306,985</u>

As a part of the transaction to “spin off” from the School District of the City of Flint, the deed to the building and land of the Main Branch was given to the Library on the condition that the property be used for public library purposes and with free public library usage for residents of the City of Flint. Should the property cease to be used for public library purposes with free public library usage for residents of the City of Flint, the property ownership would revert back to the School District of the City of Flint. The deed to the property was transferred on June 15, 2004 at a fair value of \$2,650,000.

D. Leases

Operating Leases – The Library leases equipment under a noncancelable operating lease. Total cost for the lease was \$3,108 for the current year. The future minimum lease payments for these leases are as follows:

<u>Years Ending June 30</u>	<u>Amount</u>
2009	\$ 3,108
2010	3,108
2011	<u>3,108</u>
Total	<u>\$ 9,324</u>

The Library has entered into two noncancelable operating leases for branch facilities. Each lease is for a period of 36 months, with options to extend. One lease ended on June 30, 2008, but the Library extended the lease for two years ending June 30, 2010, with a payment of \$1,300 per month. The second lease will expire on June 30, 2009 with a payment of \$1,500 per month.

The future lease payments are as follows:

<u>Years Ending June 30,</u>	<u>Total Payments</u>
2009	\$33,600
2010	\$15,600

Flint Public Library
Notes to Basic Financial Statements
June 30, 2008

II. Detailed Notes on all Funds - (Continued)

E. Long-term Debt

Governmental Activities:

General Obligations:

Installment purchase obligation to the bank, used for roof repairs, bearing interest at 4.25%, unsecured, and maturing in 2008.

The compensated absences represent the estimated liability to be paid employees under the Library's vacation pay policy. Under the Library's various contracts, employees earn vacation and sick time based on time of service with the Library. The Library estimates that vacation pay of \$4,500 and sick pay of \$24,500 will be paid within the next year.

Long-term liability activity for the year ended June 30, 2008 can be summarized as follows:

	Balance July 1, <u>2007</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2008</u>
General Obligations - installment purchase	\$78,245	\$ -	\$44,006	\$ 34,239
Compensated Absences	251,805	-	9,829	241,976
Total	<u>\$330,050</u>	<u>\$ -0-</u>	<u>\$53,835</u>	<u>\$276,215</u>

Total interest expense for the year was \$2,460. Annual debt service requirements to maturity for the above obligations are as follows:

Year Ending <u>June 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	<u>\$ 34,239</u>	<u>596</u>	<u>34,835</u>

F. Budget Information

The Library employs the following procedures in establishing the budgetary data reflected in the financial statements:

- Prior to June 30, the Director submits to the Board a proposed operating budget for the fiscal year commencing on July 1.
- A public hearing is conducted in June to obtain taxpayer comments.
- Prior to June 30, the budget is legally enacted through passage of a resolution by the Board of Trustees on an activity basis.
- For purposes of meeting emergency needs of the Library, transfer of appropriations may be made by the authorization of the Director. Such transfers of appropriations must be approved by the Board at its next regularly scheduled meeting.

Flint Public Library
Notes to Basic Financial Statements
June 30, 2008

II. Detailed Notes on all Funds – (Continued)

F. Budget Information - (Continued)

- The Director is charged with general supervision of the budget and shall hold the department heads responsible for performance of their responsibilities.
- During the year, the budget is monitored and amendments to the budget resolution are made when deemed necessary. Unexpended appropriations lapse at year end, and, as a result, the amount of encumbrances outstanding at June 30, 2008 has not been calculated. Encumbrances are not included as expenditures.

The budget has been prepared in accordance with accounting principles generally accepted in the United States of America, except that grants are budgeted on a grant length basis.

A comparison of the actual results of operations to the General Fund budget as adopted by the Library Board is included in the required supplementary information. This presentation excludes the activity related to grants.

G. Risk Management

The Library is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Library has purchased commercial insurance for these risks. Settled claims for the commercial insurance have not exceeded the amount of insurance coverage.

H. Fund Balance Designated

Fund balance designations represent those portions of fund balance not available for expenditure or legally segregated for a specific future use. The designation of fund balance at June 30, 2008 is comprised of the budget stabilization in the amount of \$825,000. The Flint Public Library Board policy III.4.1 requires the establishment and maintenance of a three-month operating reserve. The current designation is approximately equivalent to a two-month operating reserve.

I. Restricted Net Assets

Restricted net assets at June 30, 2008 are comprised of the following:

<u>Primary Government</u>	<u>Expendable</u>	<u>Non-Expendable Endowment</u>	<u>Total</u>
Mid-Eastern Michigan Library Cooperative	\$ 65,741	\$ -	\$ 65,741
Library Building Fund	4,250	-	4,250
Goering Fund	40,424	-	40,424
Scott Memorial Fund	37,447	20,000	57,447
Library Special Fund (Curtis)	154,660	-	154,660
Donor Restricted Contributions	10,544	-	10,544
Total	<u>\$313,066</u>	<u>\$ 20,000</u>	<u>\$333,066</u>
Component Unit:			
Community Foundation of Greater Flint	<u>\$ 50,742</u>	<u>\$ -0-</u>	<u>\$ 50,742</u>

Flint Public Library
Notes to Basic Financial Statements
June 30, 2008

II. Detailed Notes on all Funds - (Continued)

K. Pension Plan

1) Defined Benefit Pension Plan – MPSERS

Library employees hired prior to July 1, 2000 are eligible to participate in the Michigan Public Schools Employees' Retirement System (MPSERS). The Plan Description, Funding Policy and Description of Other Postemployment Benefits follows:

Plan Description

MPSERS is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Michigan Department of Management and Budget, Office of Retirement Systems. MPSERS provides retirement, survivor and disability benefits to plan members and beneficiaries. Benefit provisions are established and may be amended by state statute.

The Office of Retirement Systems issues a publicly available financial report that includes financial statements and required supplementary information for MPSERS. That report may be obtained by writing to Michigan Public Schools Employees' Retirement System, 7150 Harris Drive, P.O. Box 30171, Lansing, Michigan 48909 or by calling 1-800-381-5111.

The Library's current year covered payroll for its employees amounted to \$1,288,464. All required contributions to the plan have been made by the employer.

Funding Policy

Member Investment Plan (MIP) members, enrolled in MIP prior to January 1, 1990, contribute at a permanently fixed rate of 3.9% of gross wages. Members first hired on January 1, 1990 or later contribute at the following graduated permanently fixed contribution rate: 3% of the first \$5,000; 3.6% of \$5,001 through \$15,000, 4.3% of all wages over \$15,000. Basic Plan members make no contributions. The Library is required to contribute the full actuarial funding contribution amount to fund pension benefits, plus an additional amount to fund retiree health care benefits on a cash disbursement basis.

The pension benefit rate totals 17.74 percent for the period from October 1, 2006 through September 30, 2007 and 16.72 percent for the period from October 1, 2007 through June 30, 2008 of the covered payroll to the plan. The contribution requirements of plan members and the Library are established by Michigan State statute and may be amended only by action of the State Legislature. The Library's contributions to MPSERS for the years ended June 30, 2008 and 2007 were \$212,038 and \$265,559, respectively, which equaled the required contributions for the year.

The Library's annual contribution represents less than 1% of the total contributions received by the MPSERS. Historical trend information showing funding progress, employer contributions and actuarial assumptions for the entire MPSERS plan is presented in the MPSERS September 30, 2007 comprehensive annual financial report.

Flint Public Library
Notes to Basic Financial Statements
June 30, 2008

II. Detailed Notes on all funds - (Continued)

K. Pension Plan - (Continued)

1) Defined Benefit Pension Plan - MPSERS - (Continued)

Postemployment benefits

Under the MPSERS Act, all retirees participating in the MPSERS pension plan have the option of continuing health, dental, and vision coverage. Retirees having these coverages contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent of the monthly premium amount for those that have health, dental, and vision coverages. Required contributions for postemployment health care benefits are included as part of the Library's total contribution to the MPSERS pension plan discussed above.

2) Defined Benefit Pension Plan - MERS

Library employees hired on or after July 1, 2000 are eligible to participate in the Municipal Employees' Retirement System (MERS). The plan description and funding policy are as follows:

Plan Description

The Library's defined benefit pension plan - MERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Library participates in the Municipal Employees' Retirement System (MERS), an agent of a multiple-employer public employee retirement system (PERS) administered by the MERS Retirement Board. Act No. 427 of the Public Act of 1984, as amended, established and amends the benefit provisions of the participants in MERS. The Municipal Employees' Retirement System issues a publicly available financial report that included financial statements and requires supplementary information of MERS. That report may be obtained by writing to the Municipal Employees' Retirement System of Michigan, 1134 Municipal Road, Lansing, Michigan, 48917 or by calling (800) 767-6377.

A basic plan member may retire at age 60 with 10 or more years of credited service. The annual retirement benefit, payable monthly for life, is equal to 2 percent of a member's five-year final average compensation. Final average compensation is the employee's average salary over the last five years of credited service. Benefits fully vest upon reaching 10 years of service.

The Library's current year covered payroll for its employees amounted to \$1,175,089. All required contributions to the plan have been made by the employer.

Flint Public Library
Notes to Basic Financial Statements
June 30, 2008

II. Detailed Notes on all Funds - (Continued)

K. Pension Plan - (Continued)

2) Defined Benefit Pension Plan - MERS - (Continued)

Funding Policy

The “pension benefit obligation” is a standardized disclosure measure of the present value of pension benefits adjusted for the effects of the projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the MERS’ funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons among PERS and employers. The MERS makes separate measurements of assets and pension benefit obligation for individual municipalities. The pension benefit obligation at December 31, 2007 (latest reporting date available) for the obligation is for vested and non-vested current employees. The Library’s net assets available for benefits on that date (valued at cost) were \$569,005, leaving under-funding of \$72,672. The Library made contributions of \$90,246 for the fiscal year ended June 30, 2008. The investment return rate and pay increase assumption used in making the actuarial valuations were 8% and 4.5%, respectively. The Library funding policy is to contribute annually an amount sufficient to meet the minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974, plus such additional amounts as the Library may determine to be appropriate. Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the pension benefit obligations.

Actuarial assumptions

The significant actuarial assumptions used to compute the actuarial accrued liabilities are as follows:

Actuarial valuation date	December 31, 2007
Actuarial cost method	Entry age-normal
Amortization period	Level percentage of payroll
Remaining amortization period (weighted)	28 years
Asset valuation method	(1)
Actuarial assumption:	
Investment rate of return	8.0%
Projected salary increase	(2)

(1) Ten-year smoothed market

(2) 4.5% wage inflation plus a percentage based on aged-related scale to reflect merit, longevity, and promotional salary increases. The range of percentages is from 12.9% for a 20-year-old participant to 4.5% for a 60-year-old participant.

Flint Public Library
Notes to Basic Financial Statements
June 30, 2008

II. Detailed Notes on all Funds - (Continued)

K. Pension Plan - (Continued)

2) Defined Benefit Pension Plan - MERS - (Continued)

Annual Pension Cost

The Library's Annual Required Contribution (ARC) and Annual Pension Costs (APC) for the year ended June 30, 2008 totaled \$90,246. All employer contributions made were equal to required contributions by MERS. There was no Net Pension Obligation (NPO) at June 30, 2008. The APC, percentage of APC contributed, and NPO for the years ended June 30, 2008, 2007, 2006, 2005, 2004, and 2003 are summarized as follows:

<u>Plan Year End</u>	<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>% of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/03	12/31/02	\$ 56,371	100%	\$ -
6/30/04	12/31/03	60,110	100	-
6/30/05	12/31/04	75,727	100	-
6/30/06	12/31/05	79,267	100	-
6/30/07	12/31/06	81,596	100	-
6/30/08	12/31/07	90,246	100	-

Schedule of Funding Progress

Historical trend information showing MERS' progress in accumulating sufficient assets to pay benefits when due is presented in the December 31, 2007 comprehensive annual financial report. Six-year historical trend information is as follows:

<u>Valuation Date</u>	<u>Net Assets Available for Benefits</u>	<u>Actuarial Accrued Liability</u>	<u>Percent Funded</u>	<u>Assets in Excess of Actuarial Accrued Liability Amount</u>	<u>As a Percent of Covered Payroll</u>
12/31/02	\$ 71,309	\$ 48,457	147%	\$ (22,852)	0%
12/31/03	144,447	123,836	117	(20,611)	0
12/31/04	236,257	262,065	90	25,808	2
12/31/05	334,267	397,544	84	(63,277)	6
12/31/06	445,690	558,902	80	(113,212)	10
12/31/07	569,005	641,677	89	(72,672)	7

L. Component Unit - Friends of the Flint Public Library

During 1992, the Friends of the Flint Public Library (Friends), a component unit of the Flint Public Library, created a "designated endowment fund (i.e., Fund)" at the Community Foundation of Greater Flint (Foundation). The Foundation has variance power over the Fund and, as a result, the assets are not reported on the Friends balance sheet. The Foundation must distribute to the Flint Public Library investment earnings annually. The total market value of the Fund held by the Foundation at June 30, 2008 was \$190,834. During the year ended June 30, 2008, new gifts in the amount of \$3,697 were made to the Fund and the net investment loss amounted to \$4,813 mainly as a result of the downward market conditions.

Flint Public Library
Notes to Basic Financial Statements
June 30, 2008

III. Reconciliation of government-wide and fund financial statements

Total fund balance and the net change in fund balance of the Library's General Fund differs from net assets and change in net assets of the governmental activities reported in the statement of net assets and statement of activities. This difference primarily results from the long-term economic focus of the statement of net assets and statement of activities versus the current financial resources focus of the governmental fund balance sheet and statement of revenue, expenditures, and change in fund balance. The following are reconciliations of fund balance to net assets and the net change in fund balance to the net change in net assets:

Total Fund Balance – Modified Accrual Basis	\$2,099,801
Amounts reported in the statement of net assets are different because:	
Capital assets are not financial resources, and are not reported in the funds	3,306,985
Notes payable included as a liability	(34,239)
Compensated absences are included as a liability	<u>(241,976)</u>
Net Assets of General Fund – Full Accrual Basis	<u><u>\$5,130,571</u></u>
Net Change in Fund Balances – Modified Accrual Basis	\$ 425,788
Amounts reported in the statement of activities are different because:	
Capital outlays are reported as expenditures in the statement of revenue, expenditures, and changes in fund balance; in the statement of activities, these costs are allocated over their estimated useful lives' depreciation:	
Capital outlay	138,746
Depreciation	(264,709)
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	44,006
Decrease in the accrual for long-term compensated absences reported as a decrease in expenditures in the statement of activities, but not in the fund statements	<u>9,829</u>
Changes in Net Assets of General Fund – Full Accrual Basis	<u><u>\$ 353,660</u></u>

IV. Restatement – Component Unit Financial Statement

Net assets of the Component Unit Friends of the Flint Public Library at June 30, 2006 were restated from \$241,620 to \$48,730 to remove the assets of an Endowment Fund held by the Community Foundation of Greater Flint. Previously, the Library reported these funds on the balance sheet of the Component Unit. However, because the Endowment Fund is a designated fund whereby variance powers were transferred to the Community Foundation of Greater Flint, the assets should not be reported on the Friends of the Flint Public Library's balance sheet but rather disclosed in the footnotes.

Required Supplementary Information

Flint Public Library
Required Supplemental Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2008

	Originally Adopted Budget	Final Amended Budget	Actual	Variance With Final Budget
Revenues	\$ 5,289,088	\$ 5,408,745	\$ 5,464,009	\$ 55,264
Expenditures				
Governing Body	23,000	22,950	17,031	(5,919)
Administration	490,838	510,543	428,820	(81,723)
Library and Public Services	3,905,758	3,862,129	3,748,222	(113,907)
Automated Services	132,000	229,894	214,858	(15,036)
Facilities	693,592	651,744	604,601	(47,143)
Total expenditures	5,245,188	5,277,260	5,013,532	(263,728)
Revenue Over Expenditures	\$ 43,900	\$ 131,485	\$ 450,477	\$ 318,992

Flint Public Library

Report to the Library Board
June 30, 2008



Plante & Moran, PLLC

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To the Library Board
Flint Public Library

We have recently completed our audit of the basic financial statements of Flint Public Library (the "Library") for the year ended June 30, 2008. In addition to our audit report, we are providing the following letter of increased audit communications, required audit communication, summary of unrecorded possible adjustments, recommendations, and informational comments which impact the Library.

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Report on Internal Control	1-2
Results of the Audit and Other Information	3-6

We are grateful for the opportunity to be of service to the Library. Should you have any questions regarding the comments in this report, please do not hesitate to call.

Plante & Moran, PLLC

September 9, 2008

Report on Internal Control

September 9, 2008

To the Board of Trustees
Flint Public Library

Dear Board Members:

Beginning with last year's audit, national auditing standards call for auditors to communicate matters to the governing body that may be useful in its oversight of the Library's financial management. Specifically, they require us to report internal control issues to the governing body that may be relatively minor, in order to allow it to evaluate their significance, and make any changes it may deem appropriate. In general, these are items that would have been discussed orally with management in the past. The purpose of these new standards is to allow the governing body an opportunity to discuss issues when they are relatively minor, rather than waiting until they become more serious problems. We hope this report on internal control will be helpful to you, and we look forward to being able to discuss any questions you may have concerning these issues.

In planning and performing our audit of the financial statements of Flint Public Library as of and for the year ended June 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Library's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

To the Board of Trustees
Flint Public Library

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This communication is intended solely for the information and use of management, the board, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Plante & Moran, PLLC

A handwritten signature in black ink, appearing to read "Tadd Harburn", is written over a light gray rectangular background.

Tadd Harburn, CPA

Results of the Audit and Other Information

September 9, 2008

To the Board of Trustees
Flint Public Library

We have audited the financial statements of Flint Public Library for the year ended June 30, 2008 and have issued our report thereon dated September 9, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated July 15, 2008, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. We are responsible for planning and performing the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control of the Library. Our consideration of internal control was solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters and our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on July 23, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Flint Public Library are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2008.

To the Board of Trustees
Flint Public Library

We noted no transactions entered into by the Library during the year for which there is a lack of authoritative guidance.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was the useful life of capital assets.

Useful lives of capital assets are based upon management's estimate of their lives. We evaluated the key factors and assumptions used to develop the estimate of useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not identify any uncorrected misstatements during the course of the audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management's Representations

We have requested certain representations from management that are included in the management representation letter dated September 9, 2008.

To the Board of Trustees
Flint Public Library

Management's Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Recommendations and Information

In the normal course of our professional association with the Library, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Library, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition of our retention as the Library's auditors.

Uniform Chart of Accounts - Status

During the fiscal year, management implemented the Uniform Chart of Accounts issued by the Michigan Department of Treasury for local units of government.

Bank Accounts

To further maximize interest earnings and reduce bank charges, we concur with management and the board in performing a brief review of the Library's current banking relationship. Review opportunities to:

- Renegotiate the current fee structure due to the size of deposits
- On-line review of account activity
- Review the size of the compensating balance requirement to ensure that the Library is obtaining the best returns on banked funds
- Use of "positive pay" feature
- Project cash flow needs to determine if the use of longer term CDs or alternatives could yield more return on investment and be feasible

Many financial institutions in the area are having deposit campaigns to generate capital within the bank with above average interest rate returns. This could be an opportunity to maximize the Library's return on investments.

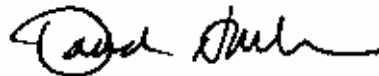
This information is intended solely for the use of the board of trustees and management of Flint Public Library and is not intended to be and should not be used by anyone other than these specified parties.

To the Board of Trustees
Flint Public Library

We would like to thank the Library board for the opportunity to serve as auditors for the Library. We would also like to express our appreciation for the courtesy and cooperation extended to us by the administration during the audit. If you would like to discuss any of these matters, or would like assistance in their implementation, please contact us.

Very truly yours,

Plante & Moran, PLLC

A handwritten signature in black ink, appearing to read "Tadd Harburn", written in a cursive style.

Tadd A. Harburn, CPA